

Message Text

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ACTION EUR-25

INFO OCT-01 ADP-00 CIAE-00 PM-09 H-02 INR-09 L-03 NSAE-00

NSC-10 PA-03 RSC-01 PRS-01 SS-14 IO-12 OMB-01 IGA-02

AID-20 SCS-03 SCA-01 HEW-08 SSO-00 CCO-00 NSCE-00

INRE-00 USIE-00 EB-11 TRSE-00 RSR-01 /137 W

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O 221915 Z MAR 73

FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC IMMEDIATE 3492

INFO COMICEDEFOR IMMEDIATE

CINCLANT IMMEDIATE

ISA IMMEDIATE

DEFENSE JCS IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 2 REYKJAVIK 0319

E. O. 11652: GDS

TAGS: MASS EAID IC

SUBJECT: VOLCANO EMERGENCY ASSISTANCE:

PIPES AND PUMPS

REF: (A) TODAY'S SCOTT GEORGE- AMB TELECON

(B) STATE 51433

(C) STATE 52400

(D) STATE 50761

1. I WAS ABLE TO CALL OFF THE ICELANDIC DEL WHICH HAD PLANNED TO DEPART FOR WASHINGTON TODAY TO DISCUSS THIS PROJECT. I LEARNED THAT THE VOLCANO EMERGENCY CMTE ON THEIR OWN INITIATIVE A FEW DAYS AGO DECIDED THEY WOULD SEND A DELEGATION INCLUDING AN ENGINEER TO THE U. S., WHEN THEY WERE ABOUT READY TO MAKE A DECISION, TO SEE WHETHER THE USG WOULD PAY FOR THE ENTIRE VENTURE, AND IF NOT WHETHER THE COST COULD BE SHAVED CONSIDERABLY. IT APPEARS THEY ALSO WERE GOING TO TRY TO SEEK ADVICE FROM WASHINGTON AS TO WHETHER ALL THE EQUIPMENT ORIGINALLY SPECIFIED WAS ABSOLUTELY ESSENTIAL.

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2. SOON AFTER REFTELCON, INGVI INGVARSSON, DPTY SEC GEN OF MFA, AND HELGI BERGS, CHRMN OF THE VOLCANO EMERGENCY CMTE CAME TO SEE ME TO DISCUSS THE PROJECT. BERGS IS PROMINENT MEMBER OF THE PROGRESSIVE PARTY (PP), VERY CLOSE TO THE PRIME MINISTER, AND CONSIDERED BY MANY IN ICELAND AS ONE OF THE POWERS BEHIND THE PP. HE IS VERY PRO- AMERICAN.

3. IN ANSWER TO MY QUESTION AS TO WHY THERE SEEMED TO BE SUCH A DELAY IN THE CMTE MAKING UP ITS MIND WITH REGARD TO FUNDING THE PROJECT, BERGS REPLIED THAT THEY ARE UNDERTAKING ALL SORTS OF MEASURES TRYING TO STEM THE LAVA FLOW AND THAT THE SUM TOTAL OF THESE MEASURES PLUS COMMITMENTS ALREADY MADE SUCH AS THE PURCHASE OF HOUSING, RELOCATION OF INHABITANTS, ETC., COSTWISE ALREADY EXCEED THE FUNDS THEY HAVE AVAILABLE OR PLEDGED TO THEM BY SCANDINAVIA. THE DELAY IS OCCASIONED PARTLY BY WHETHER THEY SHOULD DIVERT FUNDS FROM OTHER PROJECTS TO THIS WATER FLOW PROJECT AND PARTLY BECAUSE OF THE ERRATIC BEHAVIOR OF THE VOLCANO WHICH CAUSES OPTIMISM THEN PESSIMISM, BACK AND FORTH. SCIENTISTS HERE HAVE NOT BEEN ABLE TO PREDICT HOW MUCH TIME IS LEFT TO TRY THE WATER FLOW VENTURE OR WHETHER IT WILL WORK. HOWEVER THE BEHAVIOR OF THE VOLCANO IN THE LAST 24 HOURS HAS BEEN SUCH AS TO MAKE UNDERTAKING THE PROJECT WORTHWHILE. HE SAID AN EMERGENCY MTG IS BEING CALLED TONIGHT OF THE CMTE TO MAKE A FINAL DECISION AND THAT HE WILL ADVISE ME OF IT AT MIDNIGHT ICELAND TIME TONIGHT.

4. HE STRONGLY URGED AND REQUESTED THAT THIS BE MADE A JOINT PROJECT AND HOPED THAT THE IDF PICK UP SOME OF THE COST. I TOLD HIM THAT THERE WAS A POSSIBILITY THAT THE USG MIGHT BE ABLE TO FINANCE THE AIRLIFT OF EQUIPMENT (\$108,000) BUT ICELAND WOULD FIRST HAVE TO DECIDE WHETHER TO UNDERTAKE THE PROJECT AND UNDER WHICH OPTION. BERGS REPLIED THAT ICELAND WOULD APPRECIATE THE RENTAL OF AS MUCH EQUIPMENT AS POSSIBLE. I REPLIED THIS WOULD BE ONLY 13 PUMPS FROM THE NAVY (OPTION B REFTEL 51433) AND THAT THIS FIGURE COULD PROBABLY BE SHAVED ANOTHER \$20,000 FROM THE INITIAL COST IF ICELAND GUARANTEED TO RETURN THESE 13 PUMPS TO USA EXPEDITIOUSLY UPON TERMINATION OF THEIR NEED AT ICELAND'S COST. BERGS SAID THAT ICELAND WOULD UNDERTAKE TO DO THIS RETURNING THE PUMPS BY ICELANDIC CARGO SHIP.

5. IN EFFECT THE EMERGENCY CMTE WILL NOW BE CONSIDERING OPTION
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B MINUS THE \$20,000 RETURN AIRLIFT OF THE 13 PUMPS MINUS THE

\$108,000 AIRLIFT TO ICELAND OR A TOTAL OF \$232,000. I POINTED OUT TO THE ICELANDIC REPS THAT I WILL HAVE TO HAVE THE CASH FOR THIS AMOUNT AND I GAVE THEM A SAMPLE COPY OF A TRUST FUND AGREEMENT WHICH DEPT EARLIER TELEGRAPHED TO ME (STATE 50761).
IRVING

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DEFENSE ISA IMMEDIATE

DEFENSE JCS IMMEDIATE

C O N F I D E N T I A L SECTION 2 OF 2 REYKJAVIK 0319/2

6. I REITERATED THAT THE DECISION ON THIS ENTIRE PROJECT WAS STRICTLY ICELAND' S TO MAKE. INGVARSSON AND BERGS SAID THEY REALIZED THIS.

7. COMMENT: THE WHOLE WESTMANN ISLAND RELIEF AFFAIR AS HANDLED BY THE EMERGENCY RELIEF CMTE AND GOI HAS BEEN A FIASCO. THE LARGEST DAILY NEWSPAPER WHICH IS RUN BY THE INDEPENDENCE PARTY (IP) HAS BEEN CRITICIZING THE CMTE AND THE GOI FOR INEPTNESS AND HAS BEEN POINTING OUT THAT THE ONLY COMPETENCE SHOWN IN THE VOLCANO DISASTER SINCE ITS BEGINNING HAS BEEN BY THE ICELAND DEFENSE FORCE (IDF). THIS NEWSPAPER KEEPS REMINDING ITS READERS THAT IF THEY LET THE GOVT FORCE THE IDF OUT OF THE COUNTRY. ICELAND NOT ONLY LOSES SECURITY, IT WILL ALSO LOSE COMPETENCE IN NON- MILITARY EMERGENCY MATTERS AS WELL.

8. PREVIOUS TELEGRAMS SENT IN BY THIS EMBASSY HAVE TRIED TO

POINT OUT HOW THE RELIEF GIVEN TO THE VOLCANIC DISASTER HAS IMPROVED IDF' S PUBLIC IMAGE. ALSO THE ANTI- IDF GROUP WITHIN THE GOVT HAS HAD TO LAY LOW IN THEIR EFFORTS TO FORCE AN ISSUE ON THE IDF UP TO NOW BECAUSE OF THE AID GIVEN BY THE IDF.

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9. MANY PEOPLE BELIEVE THAT THE U. S. HAS OFFERED TO FUND OR TO PARTICIPATE IN FUNDING CONTINUED EMERGENCY RELIEF. THE SAME MORNING NEWSPAPER, FOR INSTANCE, MAKES A REFERENCE TO OFFERS OF DISASTER RELIEF ASSISTANCE (UNSPECIFIED) MADE " BY AMERICAN GOVT LEADERS". EMBASSY HAS TRIED TO DISCOURAGE THIS KIND OF THINKING IN VIEW OF THE DIFFICULTIES WE HAD EXPERIENCED IN FINANCING LAST MONTH' S C-130 AIRLIFT OPERATION.

10. I ALSO HAD A VISIT THIS AFTERNOON FROM GISLI GISLASON WHO IS A PROMINENT MEMBER OF THE IP, A WESTMANN ISLANDER, AND A LEADER IN THE PRO- IDF RETENTION MOVEMENT, WHO ALSO WAS ON HIS WAY TO WASHINGTON THIS AFTERNOON BEFORE I STOPPED HIM. HE MADE IT QUITE CLEAR TO ME THAT IF THE USG DID NOT PICK UP THE TAB ON THIS VENTURE THE IDF WOULD LOSE CONSIDERABLE PUBLIC SUPPORT AND PLAY INTO THE HANDS OF ITS ENEMIES IN THE GOVT. THERE IS SOME VALIDITY TO GISLASON' S STATEMENT. HOWEVER IT IS MY PERSONAL OPINION WE CAN CONTINUE TO RETAIN PUBLIC SUPPORT FOR THE IDF WITH ONLY MODERATE SLAKENING IF WE ENTERED INTO THE VENTURE AS A JOINTLY FINANCED PROJECT. I THINK THE MODIFIED OPTION B PLUS USG PICKING UP THE \$108,000 TAB FOR THE AIRLIFT SHOULD BE SUFFICIENT USG PARTICIPATION TO AVOID MAJOR DAMAGE TO THE IDF RETENTION MOVEMENT.

11. ACTION REQUESTED: CONFIRMATION THAT WASHINGTON WILL AGREE TO OPTION B, AND AS PER STATE 52400, THE \$108,000 REMAINING FROM THE PREVIOUS C-130 AIRLIFT OPERATION WILL BE APPLIED TO THE VENTURE, THUS MAKING THE COST TO ICELAND \$232,000 PLUS A REQUIREMENT THAT ICELAND RETURN THE 13 BORROWED PUMPS AT ITS OWN EXPENSE BY SHIP. I ASSUME DEPT STILL INSISTING I MUST RECEIVE CASH IMMEDIATELY, SUCH AS TOMORROW MORNING. ADVISE IF THIS IS TRUE OR WHETHER THERE IS SOME LEEWAY SUCH AS " WITHIN A FEW DAYS" OR " WITHIN A WEEK".
IRVING

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